

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)
FRANCHISE GROUP, INC., <i>et al.</i> ¹) Chapter 11
)
) Case No. 24-12480 (LSS)
)
) (Jointly Administered)
)
Debtors.) <u>Objection Deadline:</u>
) <u>March 21, 2025, at 4:00 p.m. (ET)</u>

**NOTICE OF FIRST COMBINED
MONTHLY FEE STATEMENT OF ERNST & YOUNG LLP AS
TAX, VALUATION, AND ACCOUNTING SERVICES PROVIDER TO THE DEBTORS**

PLEASE TAKE NOTICE that on February 28, 2025, the above-captioned debtors and debtors in possession (collectively, the “Debtors”), filed the *First Combined Monthly Fee Statement of Ernst & Young LLP as Tax, Valuation, and Accounting Services Provider to the Debtors for Compensation for Professional Services Rendered and Reimbursement of Expenses Incurred for the Period from November 3, 2024 Through and Including December 31, 2024* (the “Application”) with the United States Bankruptcy Court for the District of Delaware (the “Court”). The Application seeks allowance of monthly fees in the amount of \$105,030.00 and monthly expenses in the amount of \$0.00.

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260), Franchise Group Newco BHF, LLC (4123), Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 2371 Liberty Way, Virginia Beach, Virginia 23456.

PLEASE TAKE FURTHER NOTICE that objections to the Application, if any, are required to be filed on or before **March 21, 2025, at 4:00 p.m. (prevailing Eastern Time)** with the Clerk of the Court, 3rd Floor, 824 Market Street, Wilmington, Delaware 19801. At the same time, you must also serve a copy of the objection on the following parties: (i) (a) proposed co-counsel to the Debtors, (x) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022, Attn: Joshua A. Sussberg, P.C. (joshua.sussberg@kirkland.com), Nicole L. Greenblatt, P.C. (nicole.greenblatt@kirkland.com), Derek I. Hunter, Esq. (derek.hunter@kirkland.com), Brian J. Nakhaimousa, Esq. (brian.nakhaimousa@kirkland.com), and Maddison Levine, Esq. (maddison.levine@kirkland.com); (y) 555 California Street, San Francisco, CA 94101, Attn: Mark McKane, P.C. (mark.mckane@kirkland.com); (b) co-counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801, Attn: Edmon L. Morton, Esq. (emorton@ycst.com), Matthew B. Lunn, Esq. (mlunn@ycst.com), and Allison S. Mielke, Esq. (amielke@ycst.com); (ii) counsel to the Creditors' Committee, Pachulski Stang Ziehl & Jones LLP, (a) 919 North Market Street, 17th Floor, P.O. Box 8705, Wilmington, DE 19899, Attn: Bradford J. Sandler, Esq. (bsandler@pszjlaw.com) and Colin R. Robinson, Esq. (crobinson@pszjlaw.com), and (b) 780 Third Avenue, 34th Floor, New York, NY 10017, Attn: Robert J. Feinstein, Esq. (rfeinstein@pszjlaw.com), Shirley S. Cho, Esq. (scho@pszjlaw.com), and Theodore S. Heckel, Esq. (heckel@pszjlaw.com); (iii) the U.S. Trustee, J. Caleb Boggs Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Timothy J. Fox, Esq. (timothy.fox@usdoj.gov); (iv) counsel to the DIP Lenders and Ad Hoc Group of First Lien Lenders, (a) Paul Hastings LLP, 200 Park Avenue, New York, NY 10166, Attn: Jayme Goldstein, Esq. (jaymegoldstein@paulhastings.com), Jeremy Evans, Esq. (jeremyevans@paulhastings.com), and Isaac Sasson, Esq. (isaacsasson@paulhastings.com), and (b) Landis Rath & Cobb LLP, 919 N. Market Street Suite 1800, Wilmington, DE 19317, Attn: Adam G. Landis, Esq. (landis@lrclaw.com) and Matthew McGuire, Esq. (mcguire@lrclaw.com); (v) counsel to the DIP Agent, (a) Seward & Kissel LLP, One Battery Park Plaza, New York, NY 10004, Attn: Gregg Bateman, Esq. (bateman@sewakis.com), Sagar Patel, Esq. (patel@sewakis.com), and Michael Danenberg, Esq. (danenberg@sewakis.com); (vi) the Fee Examiner, Direct Fee Review LLC, 24A Trolley Square, #1225, Wilmington, Delaware 19806, Attn: Don F. Oliver (dfr.dfo@gmail.com and dfr.wjd@gmail.com); (vii) counsel to the ABL Lenders, Latham & Watkins LLP, 1271, Avenue of the Americas, New York, NY 10020, Attn: Jennifer Ezring, Esq. (Jennifer.Ezring@lw.com), James Ktsanes, Esq. (James.Ktsanes@lw.com) and Andrew Sorkin, Esq. (andrew.sorkin@lw.com); (viii) counsel to the Second Lien Term Loan Lenders, White & Case LLP, 200 S Biscayne Blvd, Miami, FL 33131, Attn: Thomas Lauria, Esq. (tlauria@whitecase.com), and 111 S. Wacker Dr., Suite 5100, Chicago, IL 60606, Attn: Bojan Guzina, Esq. (bojan.guzina@whitecase.com); and (ix) counsel to the HoldCo Lenders at the addresses set forth in (viii) above.

PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTIONS ARE FILED AND SERVED IN ACCORDANCE WITH THE ABOVE PROCEDURES, THE DEBTORS WILL BE AUTHORIZED TO PAY 80% OF REQUESTED FEES AND 100% OF REQUESTED EXPENSES WITHOUT FURTHER ORDER OF THE COURT. ONLY IF AN OBJECTION IS PROPERLY AND TIMELY FILED IN ACCORDANCE WITH THE ABOVE PROCEDURES WILL A HEARING BE HELD ON THE APPLICATION. ONLY THOSE PARTIES TIMELY FILING AND SERVING OBJECTIONS WILL RECEIVE NOTICE AND BE HEARD AT SUCH HEARING.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF DEMANDED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

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Dated: February 28, 2025
Wilmington, Delaware

/s/ Allison S. Mielke

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